

Sunday, February 21, 2010  
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### ***New Law Co-Sponsored by Russ Carnahan Ends Industry Abuses, Institutes New Consumer Protections***

(ST. LOUIS, MO) - Strong, common-sense rules that will curb unfair and deceptive credit card lending practices go into effect Monday, February 22. The new provisions are part of the Credit Cardholders' Bill of Rights Act, cosponsored by Congressman Russ Carnahan (MO-3) and signed into law on May 22, 2009.

**"These new consumer protections are all about fairness. They level the playing field between card issuers and cardholders,"** said Congressman Carnahan. **"When so many American families are struggling to make ends meet, consumers who play by the rules deserve to be treated fairly by the credit card companies."**

There are three separate implementation dates, 90 days, 9 months and 15 months after enactment. It has been nine months since the legislation was signed into law. Monday the following provisions become effective:

- Prohibits arbitrary interest rate increases and universal default on existing balances;
- Prohibits issuers from charging over-limit fees unless the cardholder elects to allow the issuer to complete over-limit transactions, and also limits over-limit fees on electing cardholders;
- Requires payments in excess of the minimum to be applied first to the credit card balance with the highest rate of interest;
- Prohibits issuers from setting early morning deadlines for credit card payments;
- Prohibits interest charges on debt paid on time (double-cycle billing ban);
- Requires issuers extending credit to young consumers under the age of 21 to obtain an application that contains: the signature of a parent, guardian, or other individual 21 years or older who will take responsibility for the debt; or proof that the applicant has an independent means of repaying any credit extended;
- Protects recipients of gift cards by requiring all gift cards to have at least a five-year life span, and eliminates the practice of declining values and hidden fees for those cards not used within a reasonable period of time.

**"As of Monday, credit card companies will no longer be able to take advantage of those being challenged during these difficult economic times by hiking interest rates on already existing balances or participating in due-date gimmicks,"** said Carnahan.

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